



Orion Interim Report January—September 2015

27 October 2015

Timo Lappalainen
President & CEO

This presentation contains forward-looking statements which involve risks and uncertainty factors. These statements are not based on historical facts but relate to the Company's future activities and performance. They include statements about future strategies and anticipated benefits of these strategies.

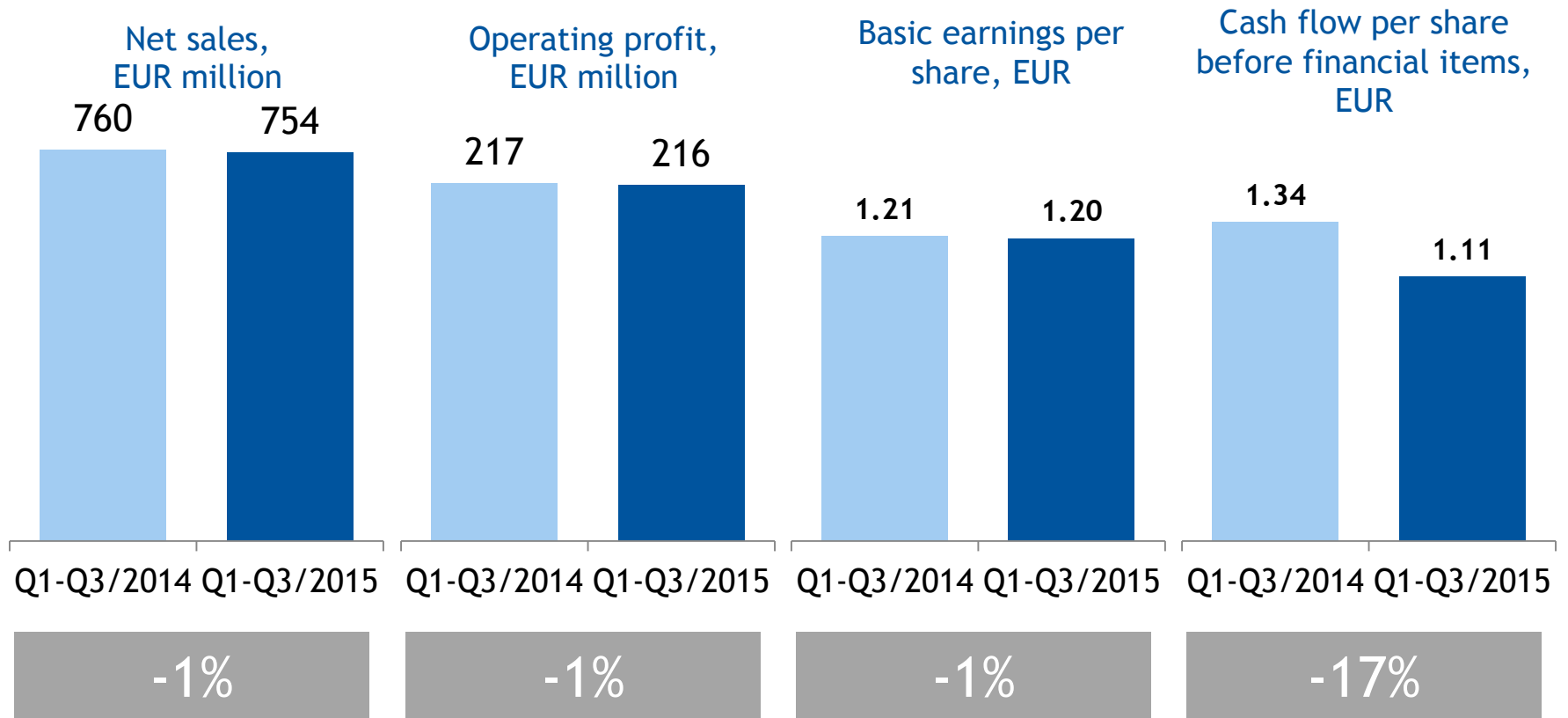
These statements are subject to risks and uncertainties. Actual results may differ substantially from those stated in any forward-looking statement. This is due to a number of factors, including the possibility that Orion may decide not to implement these strategies and the possibility that the anticipated benefits of implemented strategies are not achieved. Orion assumes no obligation to update or revise any information included in this presentation.

Product sales developed well

- Net sales and operating profit at similar level to comparative period
- Product sales developed well and margin level improved
- Specialty Products maintained strong growth
- No material impact yet from extension of generic competition to Stalevo outside Germany
- In R&D we focused on progressing clinical development projects



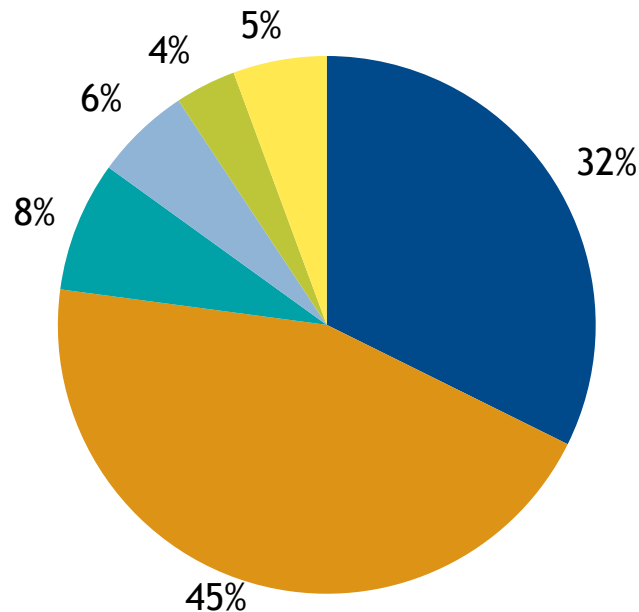
Net sales and operating profit



Breakdown of net sales

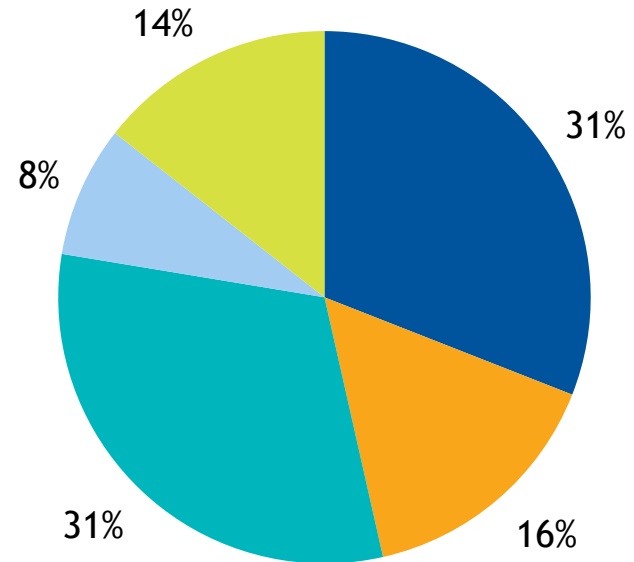
Group's net sales in Q1–Q3/2015 were EUR 754 million

By business division



- Proprietary Products
- Specialty Products
- Animal Health
- Fermion
- Contract manufacturing & other
- Orion Diagnostica

By market area

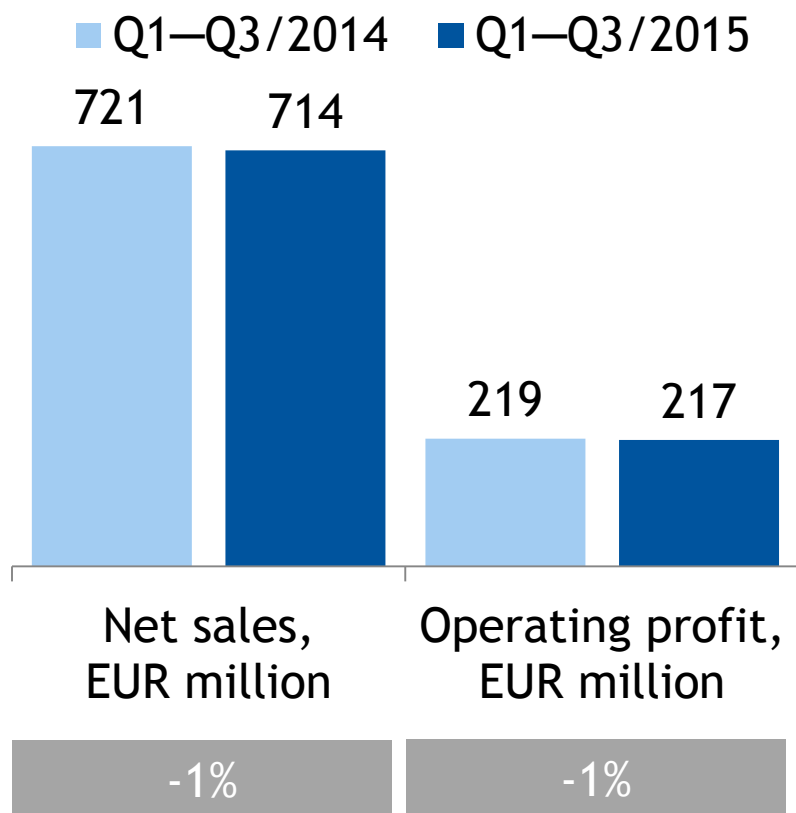


- Finland
- Scandinavia
- Other Europe
- North America
- Other countries



Business Reviews

Pharmaceuticals business



Net sales split

EUR million	Q1–Q3 /2015	Q1–Q3 /2014	Change %
Proprietary Products	244	285	-14%
Specialty Products	339	310	+9%
Animal Health	59	50	+18%
Fermion	43	46	-5%
Contract manufacturing & other	28	29	-5%

- Net sales excluding branded Parkinson's drugs, Precedex and milestone payments up by 9%
- Net sales of branded Parkinson's drugs down by 14%, and accounted for 16% of segment's net sales

Best-selling pharmaceuticals Q1–Q3/2015

	Net sales, EUR million		2014
Stalevo®, Comtess® & Comtan® (Parkinson's disease)	-14%	112	169
Simdax® (acute decompensated heart failure)	+8%	37	47
Easyhaler® product family (asthma, COPD)	+49%	37	35
dexdor® (intensive care sedative)	+30%	32	35
Dexdomitor®, Domitor®, Domosedan® & Antisedan® (animal sedatives)	+31%	21	25
Generic entacapone products (Parkinson's disease)	-11%	17	26
Burana® (inflammatory pain)	+0%	17	23
Remsima® (rheumatoid arthritis, inflammatory bowel diseases)	+410%	17	6
Marevan® (anticoagulant)	+12%	14	17
Precedex® (intensive care sedative)	-50%	12	30
Total	44% of pharmaceuticals net sales		317

Products based on Orion's inventions in blue font

Orion clear market leader in Finland

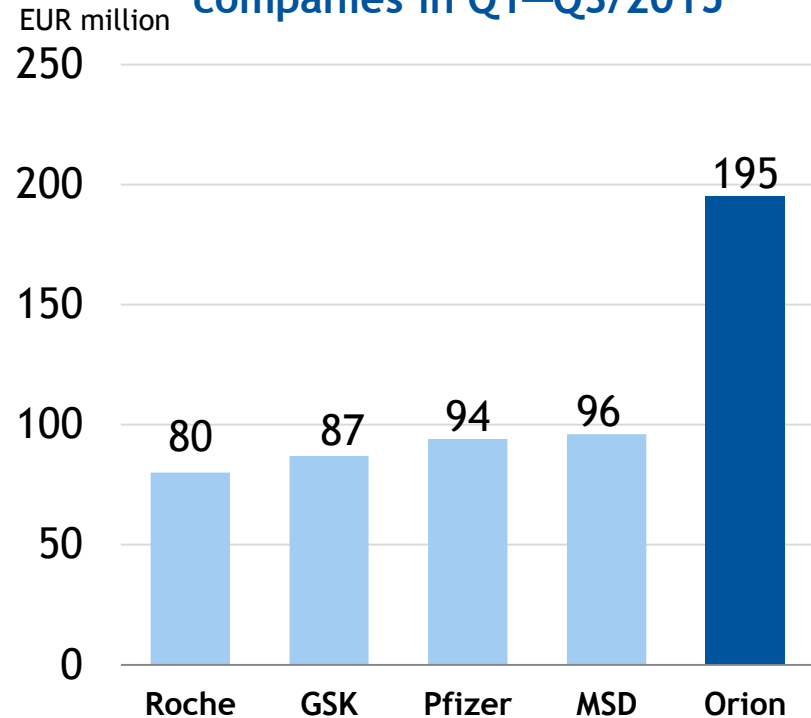
Finnish human pharmaceuticals market in January–September 2015

- Wholesale EUR 1,620 million (+3%)

Orion in Finnish human pharmaceuticals market

- Sales growth +7%
- Orion clear market leader
 - Market share 12%
- Orion especially strong in self-care products and substitutable prescription drugs

Finland's biggest pharmaceutical companies in Q1–Q3/2015



Review of Parkinson's drugs markets

Overall markets for Parkinson's drugs

USD / EUR million		MAT6/2015	MAT6/2014	Change %
USA	USD	821	811	+1%
EU TOP 5 ¹⁾	EUR	958	994	-4%
Japan	EUR	543	491	+11%

Source: IMS Health sales statistics MAT6/2015

Sales of Orion's branded Parkinson's drugs

USD / EUR million		MAT6/2015	MAT6/2014	Change %
USA	USD	18	21	-15%
EU TOP 5 ¹⁾	EUR	109	129	-15%
Japan	EUR	60	53	+12%

Source: IMS Health sales statistics MAT6/2015

Market shares of Orion's branded Parkinson's drugs

	MAT6/2015	MAT6/2014
Finland ²⁾	17%	22%
Sweden ²⁾	12%	14%
Norway ²⁾	15%	15%
Denmark ²⁾	11%	15%
Germany ³⁾	8%	14%
UK ³⁾	12%	12%
United States ^{3) 4)}	2%	3%
Japan ^{2) 4)}	11%	11%

¹⁾ Germany, UK, France, Spain and Italy

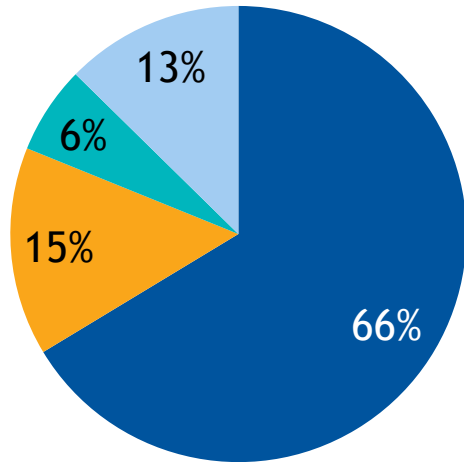
²⁾ including sales to hospitals and retail distributors

³⁾ sales to retail distributors only

⁴⁾ Novartis sales area

dexdor[®] intensive care sedative

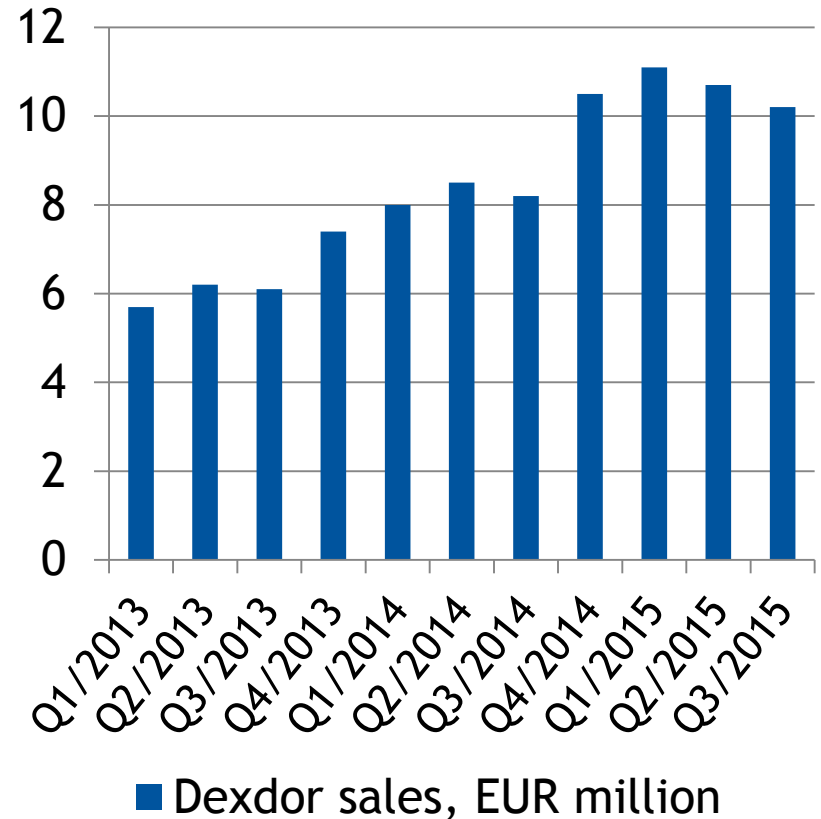
European sedative market MAT6/2015*
Total market value EUR 515 million (+3%)



- Propofol EUR 341 million (+1%)
- Midazolam EUR 76 million (-2%)
- Dexmedetomidine EUR 32 million (+34%)
- Remifentanyl EUR 65 million (+9%)

*Source: IMS Health sales statistics MAT6/2015

Dexdor sales






Key clinical pharmaceutical development projects 1 / 2

Project	Indication	PHASE			Registration
Bufomix Easyhaler® (budesonide-formoterol) ¹⁾	Asthma, COPD	I	II	III	
Easyhaler® salmeterol-fluticasone	Asthma, COPD	I	II	III	
ODM-201 (androgen receptor inhibitor) ²⁾	Prostate cancer	I	II	III	
Levosimendan ³⁾	Low Cardiac Output Syndrome	I	II	III	
ORM-12741 (alpha-2c adrenoceptor antagonist) ⁴⁾	Alzheimer's disease	I	IIa		
Dexmedetomidine (intranasal) ⁵⁾	Treatment of pain	I	IIb		
ODM-109 (oral levosimendan)	ALS	I	II		

¹⁾ Aim is to obtain marketing authorisation for product in at least some European countries not included in decentralised marketing authorisation application process.

²⁾ In collaboration with Bayer ³⁾ Partner: Tenax Therapeutics, Inc.




⁴⁾ In collaboration with Janssen Pharmaceuticals ⁵⁾ Partner: Recro Pharma, Inc.

	= Phase completed
	= Phase ongoing
	= Status changed

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

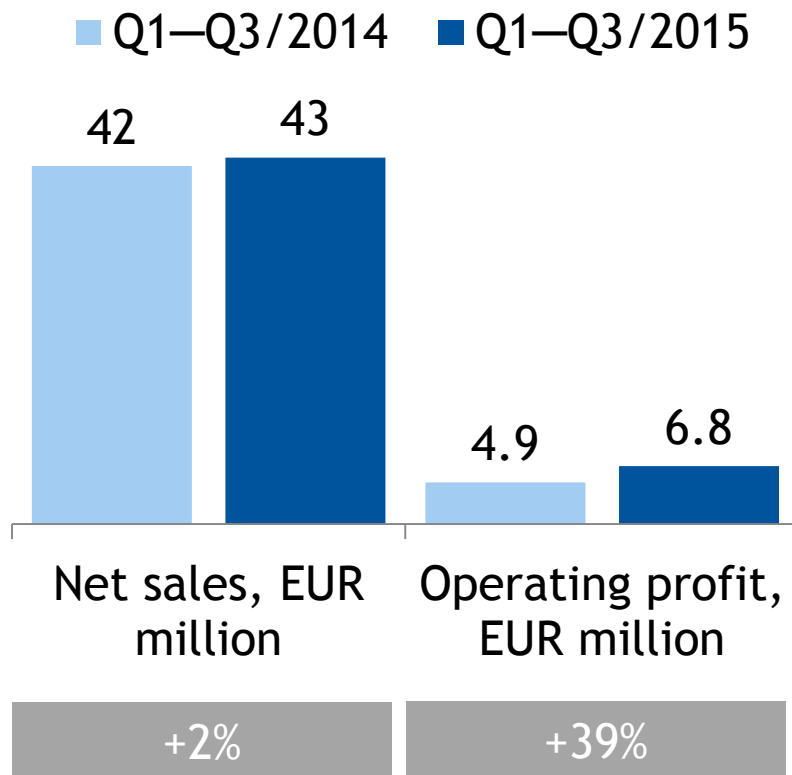
Key clinical pharmaceutical development projects 2/2

Project	Indication	PHASE			Registration
ODM-104 (more effective COMT inhibitor)	Parkinson's disease	I			
ODM-203 (targeted FGFR+VEGFR inhibitor)	Solid tumours	I			
ODM-204 (CYP17 enzyme and androgen receptor inhibitor)	Prostate cancer	I			
ODM-108 (negative allosteric modulator of TRPA1 ion channel)	Neuropathic pain	I			
ODM-106 (GABA-B receptor positive allosteric modulator)	Essential tremor				

	= Phase completed
	= Phase ongoing
	= Project discontinued

More info about R&D projects at: <http://www.orion.fi/en/rd/orion-rd/pipeline/>

Diagnostics business



- Operating profit growth mainly due to favourable margin structure of sales from portfolio and exchange rate changes
- QuikRead® tests remained the main product
- Launching of the first Orion GenRead® test system products continued
- Kaisa Tarkkanen became President of Orion Diagnostica on 1 October 2015

Outlook for 2015 (updated on 9 July 2015)

Net sales	Net sales are estimated to be at similar level to 2014 (net sales were EUR 1,015 million in 2014).
Operating profit	Operating profit is estimated to exceed EUR 260 million.
Group's capital expenditure	The Group's capital expenditure will be about EUR 50 million excluding substantial corporate or product acquisitions (the Group's capital expenditure was EUR 57 million in 2014).

Orion Calendar 2016

Financial Statement Release for 2015	Tue 2 Feb 2016
Annual General Meeting 2016 planned to be held on	Tue 22 Mar 2016
Interim Report January—March 2016	Wed 27 Apr 2016
Interim Report January—June 2016	Tue 19 Jul 2016
Interim Report January—September 2016	Tue 25 Oct 2016
The Financial Statements and Report by the Board of Directors for 2015 will be published on the Company's website at the latest in week 9/2016	



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Orion's financial objectives



Increasing net sales.

Achievement of this objective requires continuous investment in development of the product portfolio.



Maintaining profitability at a good level.

The aim is operating profit that exceeds 20% of net sales.

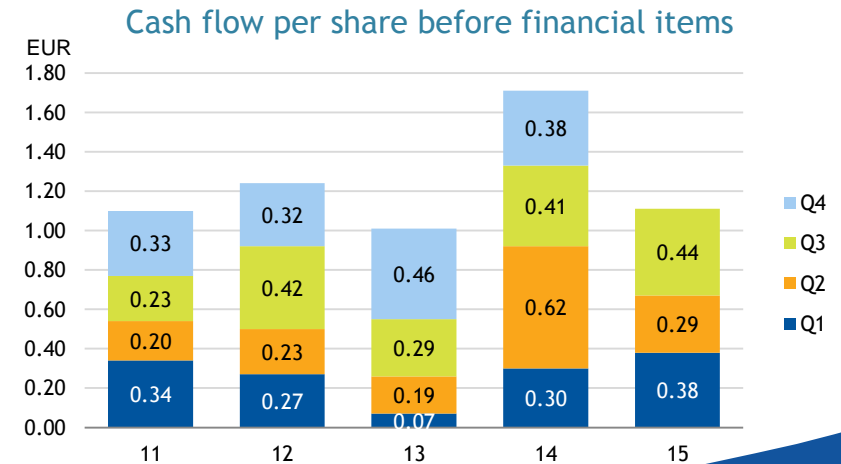
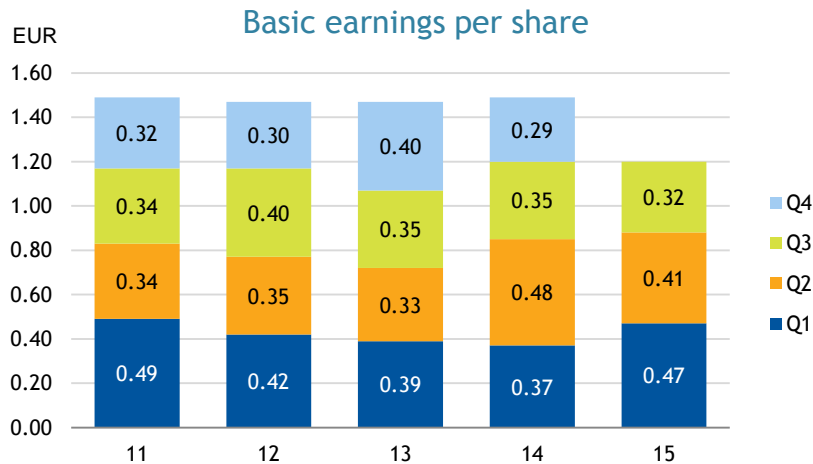
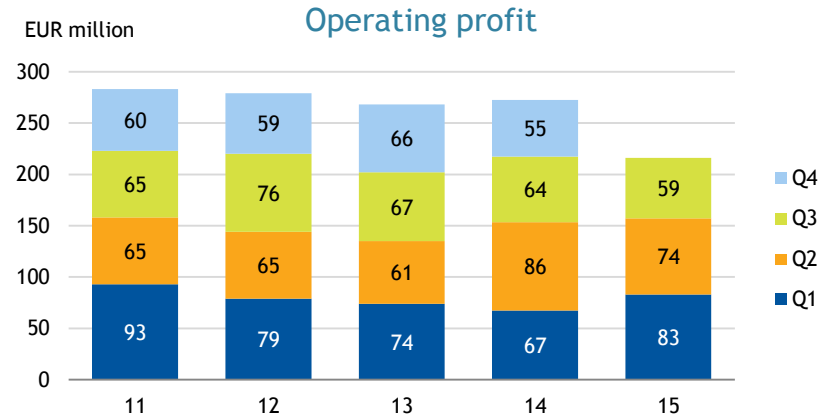
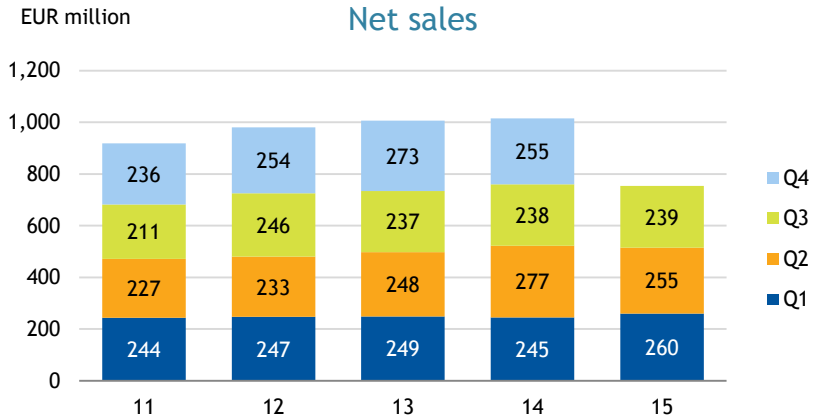


Keeping the equity ratio at least 50%.



Distributing an annual dividend that in the next few years will be at least EUR 1.20 per share, and increasing the dividend in the long term.

Key figures by quarter



Key figures for 2011–Q3/2015

Orion's key figures	2011	2012	2013	2014	Q1–Q3/2015	Q1–Q3/2014	Change %
Net sales, EUR million	917.9	980.4	1,006.9	1,015.3	754.0	760.0	-0.8%
Operating profit, EUR million	282.9	278.3	267.7	272.4	215.6	217.2	-0.7%
Profit before taxes, EUR million	282.0	276.6	264.0	267.8	212.6	214.0	-0.7%
R&D expenses, EUR million	87.5	105.8	101.9	106.2	-76.1	-77.9	-2.4%
Equity ratio, %	64.2%	61.0%	53.6%	52.3%	52.5%	55.2%	
Gearing, %	-6.9%	-1.7%	8.4%	-4.7%	-0.1%	5.7%	
ROCE (before taxes), %	49.4%	45.9%	38.5%	36.6%	40.1%	38.7%	
Return on equity, %	43.3%	41.0%	40.3%	41.1%	44.1%	44.2%	
Basic earnings per share, EUR	1.49	1.47	1.46	1.50	1.20	1.21	-1.1%
Cash flow per share before financial items, EUR	1.10	1.23	1.02	1.72	1.11	1.34	-16.9%
Dividend per share, EUR	1.30	1.30	1.25	1.30			
Capital repayment per share, EUR	0.12						

Income Statement 2011–Q3/2015

Formation of profits, EUR million	2011	2012	2013	2014	Q1–Q3/2015	Q1–Q3/2014	Change %
Net sales	917.9	980.4	1,006.9	1,015.3	754.0	760.0	-0.8%
Cost of goods sold	-305.1	-350.8	-393.5	-401.7	-291.2	-295.5	-1.4%
Gross profit	612.8	629.6	613.4	613.6	462.8	464.5	-0.4%
Other operating income and expenses	3.0	6.3	5.6	1.7	0.8	-0.3	+341.7%
Sales and marketing expenses	-204.8	-206.1	-204.9	-193.4	-137.6	-137.9	-0.2%
R&D expenses	-87.5	-105.8	-101.9	-106.2	-76.1	-77.9	-2.4%
Administrative expenses	-40.6	-45.7	-44.5	-43.3	-34.2	-31.2	+9.6%
Operating profit	282.9	278.3	267.7	272.4	215.6	217.2	-0.7%
Profit before taxes	282.0	276.6	264.0	267.8	212.6	214.0	-0.7%
Profit for the period	209.5	206.9	206.2	211.3	168.8	170.4	-1.0%

Product protection situation of key products

Key patents or data protection expire

Molecule	Product	Indication	Key patents or data protection expire		
			Europe	USA	Japan
Entacapone	Stalevo [®] , Comtess [®] and Comtan [®]	Parkinson's disease	November 2012 October 2013 ¹⁾	October 2013	January 2015 ²⁾
Levosimendan	Simdax [®]	Acute decompensated heart failure	September 2015	Not marketed	Not marketed
Dexmedetomidine	Precedex [®] <i>dexdor</i> [®]	Intensive care sedative	July 2013 September 2021 ³⁾	January 2014 ⁴⁾	June 2012

¹⁾ Stalevo data protection expired

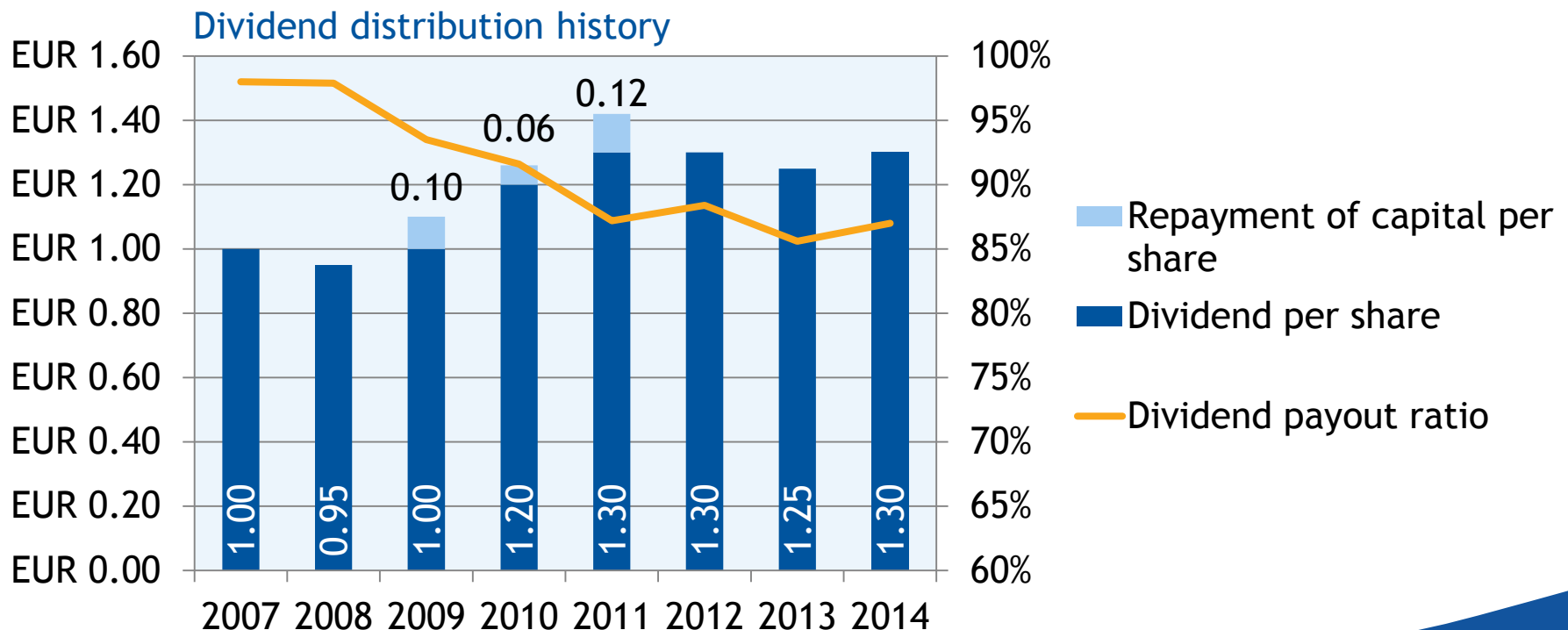
²⁾ Comtan data protection expired

³⁾ Dexdor data protection expires

⁴⁾ Six months paediatric exclusivity granted for Precedex in the United States expired

Dividend distribution policy

Orion's dividend distribution takes into account distributable funds and capital expenditure and other financial requirements in medium and long term to achieve the financial objectives.





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